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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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Philip Carragher

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EXAMINER

KARMIS, STEFANOS

ART UNIT

PAPER NUMBER

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MAIL DATE

DELIVERY MODE

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 09/669,196	<b>Applicant(s)</b> CARRAGHER ET AL.	
	<b>Examiner</b> STEFANOS KARMIS	<b>Art Unit</b> 3693	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 03 March 2009.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-62 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-62 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                       | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | Paper No(s)/Mail Date. _____                                      |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>3/3/2009</u> .  | 6) <input type="checkbox"/> Other: _____                          |

### **DETAILED ACTION**

1. This non-final rejection is in reply to the remarks filed 03 March 2009.

#### ***Status of Claims***

2. Claims 1-47, 55, and 56 are currently amended. Claims 1-62 are currently pending.

#### ***Continued Examination Under 37 CFR 1.114***

3. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 03 March 2009 has been entered.

#### ***Information Disclosure Statement***

4. The information disclosure statement (IDS) submitted on 03 March 2009 is in compliance with the provisions of 37 CFR 1.97. Accordingly, the information disclosure statement is being considered by the examiner.

#### ***Response to Arguments***

5. Applicant's arguments filed 03 March 2009 have been fully considered but they are not persuasive.

Regarding claims 1-62, Applicant argues that Sullivan fails to disclose the amended limitation of *associating, with said digital computer, data input at said input device, the data*

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*representing card activity with further input data representing an “external residential mortgage expense” that has been selected over the internet by a cardholder from a plurality of external residential mortgage expense options.* The Examiner respectfully disagrees. Applicant lists closing costs as an example of an external residential mortgage expenses (see dependent claim 5). Applicant’s specification defines “closing costs” as any charges, fees, assessments and payments that are typically paid at closing, including downpayments.....mortgage insurance...flood insurance (page 2, lines 22-25). Therefore, Applicant admits that “mortgage insurance” is part of closing costs, which is part of an external residential mortgage expense.

Turning to Sullivan. As noted in the previous rejection, Sullivan discloses a computer-aided method for card-activity based residential expense crediting, the method comprising; associating card activity with an external residential expense (column 5, line 66 thru column 6, line 18 and column 6, lines 38-59) and crediting an amount to the external residential expense responsive to the card activity (column 6, lines 38-59 and column 8, lines 5-50). Specifically, Sullivan notes that the invention can be applied to different types of insurance accounts, including “mortgage insurance” (column 6, lines 38-50).

Therefore, Sullivan does disclose associating card activity with “mortgage insurance” which is clearly defined as a closing cost by Applicant’s specification, which are clearly defined by Applicant to be external residential mortgage expenses. Further, Sullivan also discloses “flood insurance” (column 6, lines 38-50) which are also defined as a closing costs by Applicant (see page 2 of Applicant’s specification, lines 22-29). Therefore, Sullivan discloses choosing from a plurality of options. Therefore, Applicant’s arguments regarding claims 1-62 are not persuasive.

***Claim Rejections - 35 USC § 112***

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

7. Claim 26 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 26 states wherein the options include "non-mortgage residential expense options." This renders the claim indefinite because the options in claim 1 are external residential "mortgage" expenses. Therefore it is unclear how external residential "mortgage" expense options could be "non-mortgage residential expense options". The dependent claim is contradictory and therefore confusing in scope.

***Claim Rejections - 35 USC § 102***

8. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

9. Claims 1-5, 7-9, 11, 38, 39, 42, 43 and 45-54 are rejected under 35 U.S.C. 102(e) as being anticipated by Sullivan U.S. Patent 6,386,444.

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Regarding claim 1, 38, 42, 43, 55 and 56, Sullivan discloses a computer-aided method for card-activity based residential expense crediting, the method comprising; associating card activity with an external residential mortgage expense (column 5, line 66 thru column 6, line 18 and column 6, lines 38-59; associated with home insurance/mortgage insurance); crediting an amount to the external residential mortgage expense responsive to the card activity (column 6, lines 38-59 and column 8, lines 5-50; Examiner also notes that the crediting could simply be paying the insurance with the credit card); and generating output including external residential expense crediting (column 6, lines 38-59 and column 8, lines 5-50).

Claim 2, applying some of the amount in a funds transfer to pay the expense (column 7, lines 51 thru column 8, line 3).

Claim 3 and 4, wherein the associating card activity with an external residential expense includes the entering external mortgage identifying data; and carryout out the crediting according to the data (column 7, lines 1-22).

Claims 5 and 9, wherein the external residential mortgage expense is a closing cost (column 6, lines 38-50).

Claim 7, 11, wherein the plurality of options includes more than two options (column 6, lines 38-59).

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Regarding claim 8 and 39, Sullivan discloses a computer-aided method for card-activity based residential expense crediting, the method comprising; associating card activity with an external residential expense (column 5, line 66 thru column 6, line 18 and column 6, lines 38-59; associated with home insurance/mortgage insurance); crediting an amount to the external residential expense responsive to the card activity (column 6, lines 38-59 and column 8, lines 5-50; Examiner notes that the payment is applying some of the amount such as 1%); and generating output including external residential expense crediting (column 6, lines 38-59 and column 8, lines 5-50).

Claim 45-54, obtaining identifying data for the external residential expense; and wherein the crediting is carried out with amount comprising a reward (column 5, line 66 thru column 6, line 18 and column 6, lines 38-59).

### ***Claim Rejections - 35 USC § 103***

10. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

11. Claims 27, 36, 40 and 41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sullivan U.S. Patent 6,386,444 in view of Petit U.S. Patent 4,722,554.

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Claims 27, 36, 40 and 41, Sullivan teaches a computer-aided method for card-activity based residential expense crediting, the method comprising; associating card activity with an external residential expense (column 5, line 66 thru column 6, line 18 and column 6, lines 38-59; associated with home insurance/mortgage insurance); crediting an amount to the external residential expense responsive to the card activity (column 6, lines 38-59 and column 8, lines 5-50; Examiner notes that the payment is applying some of the amount such as 1%); and generating output including external residential expense crediting (column 6, lines 38-59 and column 8, lines 5-50).

Sullivan fails to specify printing a check for the amount; printing a coupon with the amount for carrying out the payment of the mortgage with the check; and combining the check and the coupon with a statement of the card activity in an envelope so as to address the envelope to the cardholder. Pettit teaches an alternative value paper refund form in which a negotiable instrument, nominally a check, and one or more coupons. The form is typically used for a rebate or refund (column 3, lines 30-47 and column 9, lines 3-25). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Sullivan and include payment through postage because it is an efficient manner to transmit payment information stemming from a rebate or refund and is extremely well known in the financial and billing arts.

12. Claims 6, 10, 37 and 44 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sullivan U.S. Patent 6,386,444 in view of Hastings U.S. Patent 6,751,596.



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Claims 6, 10, 37 and 44, Sullivan teaches wherein the external residential expense is insurance (column 6, lines 38-59). Sullivan fails to teach that the external residential expense is a downpayment or an actual mortgage. Hastings teaches a system and method for tracking, monitoring and supporting self-procuring principals in real estate transactions that take closing costs, downpayments and mortgages into account (column 15, lines 36-50). Hastings further teaches that downpayments are major impediments to purchasing a home (column 1, lines 15-32). Further, a downpayment is a type of closing costs, as are the mortgage insurance and flood insurance teachings of Sullivan. Therefore it would have been obvious to one of ordinary skill in the art to modify the teachings of Sullivan to include downpayments because they are external residential mortgage expenses needing to be paid by the customer and the customer would thus have an incentive to use the card to provide payments for these expenses to apply to these costs to help with the purchase of a home similar to mortgage insurance and flood insurance.

13. Claims 12-26 and 28-35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sullivan U.S. Patent 5,966,699 in view of Johnson U.S. Patent 6,999,943.

Regarding claims 12-26 and 28-35, Sullivan fails to teach the processing and applying of payment as discussed in these claims. Johnson teaches multiple payment methods (Abstract, column 24, lines 60 thru column 25, line 8). Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Sullivan to include the processing and application of payments by various methods because it provides a system desirable to the customer by giving the customer options on how to process

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and apply payments to that the system can better meet the needs of the parties involved in the transactions.

14. Claims 5, 6, 9, 10, 37 and 44 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sullivan U.S. Patent 5,966,699 in view of Zandi U.S. Patent 5,966,699.

Claims 37, Sullivan teaches a computer-aided method for card-activity based residential expense crediting, the method comprising; associating card activity with an external residential expense (column 5, line 66 thru column 6, line 18 and column 6, lines 38-59; associated with home insurance/mortgage insurance); crediting an amount to the external residential expense responsive to the card activity (column 6, lines 38-59 and column 8, lines 5-50; Examiner notes that the payment is applying some of the amount such as 1%); and generating output including external residential expense crediting (column 6, lines 38-59 and column 8, lines 5-50). Sullivan fails to teach auctioning a proposed new mortgage. Zandi teaches lenders participating in an auction for a new mortgage (column 3, lines 55-67 and column 7, line 8 thru column 9, line 54). Therefore it would have been obvious to one of ordinary skill in the art to modify the teachings of Sullivan to include the mortgage auctioning teaching of Zandi because it provides for obtaining a loan with more favorable terms for the borrower and thus helps the borrower obtain the mortgage.

***Conclusion***

15. Any inquiry concerning this communication or earlier communications from the examiner should be directed to STEFANOS KARMIS whose telephone number is (571)272-6744. The examiner can normally be reached on M-F: 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Respectfully Submitted  
/Stefanos Karmis/  
Primary Examiner, Art Unit 3693  
26 May 2009